

## **FOREWORD**

This Handbook provides information necessary for you to properly perform your responsibilities as a storage contractor in the Department of Defense (DOD) Personal Property Nontemporary Storage Program.

It has the one major weakness found in all publications of its type, in that it is useless if not read and utilized. If you and your employees will read it, you will find answers to many questions. Unsatisfactory performance rendered by a storage contractor is a deterrent to the retention and reenlistment of DOD trained personnel and will not be accepted by the Regional Storage Management Office (RSMO) Contracting Officer.

Contents of this Handbook do not address or impact entitlements of military service members, since this is the responsibility of the individual military service.

The information in this Handbook covers the latest changes in the Personal Property Traffic Management Regulation (DOD 4500.34-R), Federal Acquisition Regulation, and the Basic Ordering Agreement. Future changes or additions will be furnished by means of replacement or additional pages, as required. Recommendations for changes to procedures or format to this Handbook should be submitted to your servicing Regional Storage Management Office.

*Prepared by the  
REGIONAL STORAGE  
MANAGEMENT OFFICE*

**CONTENTS**

<b><u>Chapter</u></b>		<b><u>Page No.</u></b>
	Foreword	i
I	Basic Ordering Agreement Definitions	1
II	Administrative Information	5
III	Quality Control	22
IV	Fire Prevention and Security Standards	34
	Index to BOA Provisions	46
	Basic Ordering Agreement	47
	Appendixes	B - 1 thru J - 3

## **CHAPTER I**

### **THE BASIC ORDERING AGREEMENT**

#### **DEFINITION:**

The Basic Ordering Agreement (BOA) is a written instrument of understanding between the Government and the Contractor. It can be likened to an open-end contract with no minimum guarantees on the part of either party. The service order, after being issued by the Ordering Officer, and when accepted by the Contractor, becomes the contract. All performance under this contract (the service order) is subject to the terms of the BOA (against which the service order was issued). The service orders may be likened to a "Call" against an open-end contract.

#### **WHAT IT PROVIDES:**

As the BOA is a contractual type document, an understanding of its provisions is important to all concerned. The only satisfactory way to become familiar with what it provides, and equally important, what it does not provide, is by a thorough study of the various provisions, terms and specifications.

#### **AUTHORITY TO NEGOTIATE FOR THE GOVERNMENT:**

All Government procurement is subject to the rules and procedures contained within the Federal Acquisition Regulation (commonly called FAR and in the case of the Military Traffic Management Command (MTMC), the FAR Supplement). All actions of the Contracting Officers at the RSMO are governed by these representatives authorized to negotiate and sign a BOA. This authorization is also applicable to any changes covering terms and conditions, specifications for services, rates, or any other matter directly concerned with the BOA.

#### **TERMS OF THE AGREEMENT:**

The BOA is valid, until terminated.

#### **PREPARATION AND DISTRIBUTION:**

The BOA and certain changes are prepared by the RSMO and are sent to the contractor for signature. Upon receipt of the copies signed by the contractor, the RSMO makes distribution of information copies to all the Using Activities (Ordering Offices) which are likely to use the contractor's facilities. It is not necessary for you to notify any Using Activity that you have a BOA, nor is it necessary for you to notify them of any changes.

#### **CANCELLATION:**

It should be noted that the BOA does not contain a cancellation clause other than for "Termination" under I -17, I - 43 and I - 44.

### **CHANGES:**

Changes to the BOA are made by means of a Supplemental Agreement signed by the RSMO Contracting Officer and the Contractor. Generally, terms and condition changes are not authorized, except upon direction of the Federal Acquisition Regulation (FAR) or HQ MTMC.

### **TRANSFER OF AGREEMENT:**

The transfer of a Government contract to a third party is prohibited by law (41 U.S.C. 15). However, the Government may recognize a third party as the successor in interest to a Government contract where the third party's interest is incidental to the transfer of all the assets of the contractor or all that part of the contractor's assets involved in the performance of the contract. Where it is consistent with the Government's interest to recognize a successor in interest, the RSMO will execute an agreement with the original contractor and the new owner of the business. This is done by means of a Transfer Agreement which ordinarily provides in part that:

- a. The new owner assumes all the obligations of the contract, including liability for those lots released prior to the transfer.
- b. The original owner waives all rights under the contract against the Government.
- c. The original owner guarantees performance of the contract by the new owner.
- d. Nothing in the agreement will relieve the original owner or the new owner from compliance with any Federal Law.

As a contractor, you have the responsibility of notifying the RSMO of intent to sell your business. Failure to notify the RSMO of an actual sale does not relieve the contractor of the liability he held prior to the sale. Reference BOA C-7f.

In addition, failure to notify the RSMO of a sale automatically leaves the new owner(s) of the warehouse in an illegal situation with respect to billing for and accepting payment for any services performed by them.

### **CHANGE IN MANAGEMENT:**

Changes of management or majority stockholders of a corporation do not require recognition by means of a supplemental agreement. However, for record purposes, all changes in management of your business should be reported to the RSMO and should provide current minutes of corporation that reflect election of corporate officials.

## **DOCUMENTATION REQUIREMENTS FOR NOVATION AGREEMENT:**

The FAR provision 42.1204 prescribes the policy and procedures involving Novation Agreements and change of Name Agreements.

a. When a contractor requests that the Government recognize a successor in interest, the contractor shall be required to provide the RSMO Contracting Officer the following, **30 days prior to the effective date**, as applicable;

(1) a properly authenticated copy of the instrument by which the transfer of assets was effected, as for example, a bill of sale, certificate of merger, certificate of incorporation indenture of transfer, or decree of court;

(2) a list of all contracts and purchase orders, tabulated by service and purchasing office within each service, which have not been finally settled among all Departments concerned and the transferor and the transferee, showing the contract number, the name and address of the purchasing office involved, the total dollar value of each contract as amended, the type of contract involved, and the balance remaining unpaid;

(3) a certified copy of the resolutions of the Boards of Directors of the corporate parties authorizing the transfer of assets;

(4) a certified copy of the minutes of any stockholders' meetings of the corporate parties necessary to approve the transfer of assets;

(5) a properly authenticated copy of the certificate and articles of incorporation of the transferee if such corporation was formed for the purpose of receiving the assets involved in the performance of the Government contracts;

(6) opinion of counsel for both the transferor and transferee that the transfer was properly effected in accordance with applicable law and the effective date of transfer;

(7) evidence of the capability of the transferee to perform the contracts;

(8) balance sheets of the transferor and the transferee as of dates immediately prior to and after the transfer of assets;

(9) other documents as requested;

## **CHANGE IN NAME:**

A change of name of a company should be **reported in writing, 30 days prior to the effective date**, to the RSMO. When only a change of name is involved, with no change in the rights and obligations of either party, the Government will recognize the change by means of a Change Order (Reference BOA C-7f). The Contractor shall forward the following to the RSMO Contracting Officer.

(1) a copy of the instrument by which the change of name was effected, authenticated by a proper official of the State having jurisdiction;

(2) opinion of counsel for the contractor as to the effective date of the change of name and that it was properly effected in accordance with applicable law; and

(3) a list of all contracts and purchase orders which have not been finally settled among all Departments concerned and the transferor, and the transferee showing the contract number, the name and address of the purchasing office involved, the total dollar value of each contract as amended, and the balance remaining unpaid.

## CHAPTER II

### ADMINISTRATIVE INFORMATION

#### GENERAL:

There is no guarantee that holding a BOA will result in business for you. Simply stated, three (3) factors determine the issue. The **first** is that there must be something to store. The **second** is that your rate schedule must result in the lowest overall cost to the Government, when compared with all warehouses in a position to provide the necessary services. The **third** is that you are eligible, as determined by the Contracting Officer at the time a shipment is offered.

#### ORDERING SERVICES AND SERVICE ORDERS:

Services are ordered by means of a Service Order (DD Form 1164). These orders are a contractual document and are issued by an Ordering Officer, who is usually a member of the Installation Transportation Office (ITO) at a military installation. The determination to use a public warehouse is the responsibility of the Ordering Officer. With that is the responsibility of selecting the proper warehouse.

In general, it is the Ordering Officer's responsibility to offer any given lot to the contractor with the lowest overall cost to the Government. If the lowest overall cost contractor declines to accept the offer, the contractor with the next lowest cost is then contacted. Selective acceptance of service order offers by weight or zones is a violation to the BOA.

In determining which contractor has the lowest overall cost, the ordering officer adds the cost of packing, drayage, handling-in and handling-out. To this is added the cost of storage, based on the estimated time the lot is expected to remain in storage.

The following would be a typical computation comparing costs between three contractors, for a 2,000 lb. lot expected to be in storage 2 years:

	<u>A</u>	<u>B</u>	<u>C</u>
Packing	\$3.50	\$3.35	\$3.90
Drayage	\$3.25	\$3.60	\$3.60
Handling-In	\$1.35	\$1.25	\$1.40
Handling-Out	\$ .25	\$ .25	\$ .15
<u>Total labor cost per CWT</u>	<u>\$8.35</u>	<u>\$8.45</u>	<u>\$ 8.55</u>
Storage @ \$.85 per month	\$20.40		
Storage @ \$.80 per month		\$17.20	
Storage @ \$.75 per month			\$18.00
<u>Total cost per CWT</u>	<u>\$28.75</u>	<u>\$27.65</u>	<u>\$26.55</u>
	x 20 CWT	x 20 CWT	x 20 CWT
<u>Total 2 year cost</u>	<u>\$575.00</u>	<u>\$553.00</u>	<u>\$531.00</u>

In the examples shown, the lot would first be offered to Contractor C. The offer may be made by phone or in writing. In most cases the telephone is used. If Contractor C accepts the offer, a Service Order is issued. If Contractor C declines, the lot would then be offered to Contractor B.

A contractor is not obligated to accept an offer; if he does accept the offer, either verbally or in writing, a lot number is assigned at this time and he is obligated to perform all services called for on the initial Service Order and Supplemental Service Orders applicable to it. **Failure to perform services on a given lot, after receipt of the Service Order, is cause for declaring the contractor in "Default" under I-44 of the BOA.** In such cases, he is liable for all costs in excess of those which would have resulted if he had performed the services.

There is one exception to the above which the BOA will recognize, and in which it will support the contractor for refusing to perform services after accepting an order. This involves a lot which upon inspection at the home prior to actual pickup, is found to be infested with vermin. In such cases, the contractor should notify the Ordering Officer of the condition, and decline to accept the lot until it has been fumigated. There is no way by which fumigating or disinfecting costs can be paid for under the BOA. In the event an infested lot is accepted, without a prior, and preferably written understanding as to who will pay the fumigating costs, such costs must be borne by the contractor.

The rates applicable to a lot are those in effect on the date the offer is accepted. The rates remain in effect as long as the lots stays in storage, up to four years, with renew option of the Government.

Because Service Orders are your legal authority for providing services and obtaining reimbursement, you should be certain that they show which services you are expected to provide and the rate applicable to each service. You should also be certain you have a copy of the Service Order applicable to each lot you have in storage. Regulations require the ordering officer to furnish you a written Service Order before the services are performed. It may not always be practicable to do this. However, if you have not received the written order within 5 calendar days after the lot was picked up, you should contact the ordering officer.

You are not required to perform any service not shown on a Service Order, not to reimburse anyone for a service provided without your expressed consent. A case in point is unpacking at destination after a line haul movement from your warehouse. Your responsibility for the lot ends when you obtain a receipt from the line haul carrier. If he or his destination agent unpacks the shipment, it is the responsibility of the ITO to make reimbursement for unpacking directly to the carrier. **DO NOT UNDER ANY CIRCUMSTANCES PROVIDE OR PAY FOR UNPACKING UNLESS CALL FOR ON A SUPPLEMENTAL SERVICE ORDER.** Supplemental Service Orders call for Unpacking (Item VIII) only in those rare instances when you deliver a lot out of your warehouse, by your equipment operating under your own authority, to one of the zones shown on your Schedule of Rates and Services.



## **RATES FOR SERVICES:**

The RSMO does not attempt to influence rates, other than to offer assistance in converting the contractor's general rate schedule to the CWT method used in the BOA. It is considered ethical to advise a contractor that a proposed rate is seriously out of line. To accept a rate which is very high or very low, without bringing this to the attention of the warehouseman, would only result in a charge as soon as the result became apparent to the contractor. The Contracting Officer may negotiate with the contractor or return the rate as unacceptable.

Rates offered by contractors in the BOA are considered to be a matter of public information, similar to a proposal received in negotiation. For this reason, the RSMO does makes competitors' rates available to concerned contractors when requested in compliance with the Freedom of Information Act (FOIA).

In establishing a rate schedule, contractors should maintain a normal relation between the various Labor items. It serves no practical purpose to make one rate very high and another very low. In fact, such rates often result in difficulty for the contractors.

Rates submitted are actually a combination of fixed and variable cost: therefore, such negotiations should be based upon mutual understanding of actual costs. Unless pricing of warehousing services is based on known costs, the Government may either pay too much or too little for each service or storage item reflected on the Schedule of Services and Rates for Personal Property. A storage contractor who faces a loss will either seek a rate increase or will cut service levels to reduce his costs. On the other hand, competition is the dictating factor and to participate in this storage program, the "low cost" contractor is contacted first and offered the storage order, and is expected to perform except when the ordered services cannot be provided.

The cost data must be calculated and then converted to 100 pounds (CWT). This process involves sound cost accounting and some benchmarks to determine the economic justification of your warehouse operation. You also use these bench marks for development of inactive objectives/goals for both works and management. By employing the cost measurement method rather than rule of thumb, many storage contractors have learned a great deal about improving control of warehousing costs.

There is an advantage to a contractor which can offer a low storage rate. This is due to the fact that this is a continuing rate assessed monthly. The computation on the preceding pages illustrates the point. Contractor C, with the highest overall rates for the labor services, has the lowest overall cost when the low storage rate is projected over several months. In the example shown, if the lot was to stay in storage one month, it would properly go to Contractor A. If it were estimated at 2 months, all three contractors would be equal. Thereafter, Contractor C would be lowest in overall costs.

## **RATE CHANGES:**

Pricing concepts of FAR apply to all rate change proposals. In general, prices are expected at fair and reasonable levels, with the Government as a preferred customer, and only independent price determinations offered. This means by cooperative venture whenever rates are submitted that appear to be unreasonable or inconsistent, you will be contacted to negotiate the matter. Whenever rates are submitted you will be requested to complete a Certificate of Independent Price Determination (IPD).

Rate increases may only be filed to be effective 1 May and 1 November, and must be post marked by midnight 15 March and 15 September respectively. Decreases in rates will be accepted during any of the 12 month periods of the year.

All proposed rate changes will be prepared on the Schedule of Services and Rates for Personal Property (Section B of the BOA) and signed by an authorized official of your firm. Bids will be submitted for all items of service with your statement of operating authority. Zones and counties without operating authority will be notated NOA (No Operating Authority) or Areas that do not have location or counties will be notated as NA (Not Applicable). You will receive a Standard Form 30, Amendment of Solicitation/Modification of Contract, as executed by unilateral signature of the RSMO Contracting Officer, effecting the change of rates.

The following time frame is established for the postmark and effective date of accepted rate changes:

<b><u>Change request Postmark by:</u></b>	<b><u>Effective Date.</u></b>
15 January	1 March
15 February	1 April
15 March *	1 May
15 April	1 June
15 May	1 July
15 June	1 August
15 July	1 September
15 August	1 October
15 September *	1 November
15 October	1 December
15 November	1 January
15 December	1 February
* Rate increases are acceptable	

When proposed rate changes result in prolonged negotiations, the above time frame may not be effective and may be subject to delay. In order to meet administrative needs, RSMO Contracting Officers are obligated to accept or reject the rate change in order to allow time for input into the WHIST/TOPS program. An inability to do this will change the

effective date to the 1st day of the next succeeding month. Holidays will NOT affect the above schedule.

When you are serving two or more Using Activities out of one warehousing location, the rates will be identical in all Items of Service, except Item III, Drayage and Item VII, Delivery. These items refer to zones and distances and are used to compensate variances as may apply. Incidentally, you are not expected to bid in a zone wherein your operating authority does not exist. Such zones will be marked "No Operating Authority" (NOA). In all other zones, a responsive bid is to be made. Rate change proposals received in any other manner will be returned to you for revision.

### **STORAGE PERIODS:**

The BOA does not provide that any lot will stay in storage for a minimum or maximum length of time. The length of the storage periods depends on a variety of circumstances. The estimated period of storage shown on a service order is based on information available at the time of preparation and is subject to change.

The majority of lots placed in storage are done so while the owner is on overseas assignment. In such cases, the estimated storage period is based on the normal tour of duty at the particular overseas station. These usually range from one to three years.

There are about 15 authorized reasons for storage at Government expense. These include attendance at a service school for at least 20 weeks, extended hospitalization under certain circumstances, retirement, and non-availability of adequate storage spaced in assigned Government quarters. In some instances, change in orders or duty assignment result in a change in the storage period authorized.

### **INSURANCE REQUIREMENTS:**

Provision C-7h(2) of the BOA requires all storage contractors to purchase and maintain coverage in minimum limits of \$1.25 per pound times the total weight of NTS at each location. In those instances when there is more than one warehouse the amount of insurance coverage should be based on the total weight in each individual warehouse.

Certificates of Insurance, Attachment 3 of the BOA, are to be furnished to the RSMO Contracting Officer. The certificate must show the name of the insurance company, policy number, address of each warehouse, the limits of liability coverage for each warehouse, and the deductible amount shall not exceed \$100.00.

Certificates of Insurance must confirm by a statement thereon that the insured warehousemen's legal liability coverage is in force for property accepted and stored by the contractor under any Government contract.

Each insurance certificate must include an endorsement that the certificate holder will be notified 30 days in advance of any change or cancellation.

Copies of the insurance certificate must be signed as an original by an authorized agent of the insurance company. **Reproduced signature copies are not acceptable.**

Contractors that fail to maintain adequate insurance coverage will be considered in default by the RSMO Contracting Officer, and a "Cure Notice" issued.

#### **WAREHOUSEMEN'S LIABILITY:**

The legal liability of a contractor storing under a BOA is limited to \$50.00 per article or package. Basically, an entry on a warehouse receipt constitutes the "article" or "package" for which the contractor is liable. Thus, a bedspring would be an "article" while a bundle of two beds rails would also be an "article". To join bed rails into one article is permissible as they constitute a set of pieces and one is useless without the other. Such reasoning would not apply to articles such as rugs. Each rug is a separate "article" and a warehouse could not pack two or more rugs in one roll, bag, or tube and consider it one article.

In acting on claims submitted for a ruling, the RSMO has consistently held that loss or damage to military household goods while in the custody of a contractor automatically implies an omission or careless act on the part of the contractor or his employees and that this results

in the contractor being liable within the monetary limits referred to the Provision H-6 of the BOA.

Any objection by the contractor must clearly show that the loss or damage was not attributable to an omission or careless act on its part. If such a showing cannot be sustained, the contractor is required to make a financial settlement.

#### **LOSS AND DAMAGE CLAIMS:**

With the increase in the number of lots being removed from storage, the number of claims for loss and damage is increasing. In most cases, when the goods are delivered with damage or shortage, the owner assumes the warehouse is reasonable and so states in his claim. The carrier unusually disclaims the responsibility on the basis that he "delivered the goods in the same condition as received". The RSMO has taken the stand that generally, the holder of a clear receipt is not liable.

Thus, the warehouse operator must be able to produce a receipt which indicates the allegedly lost or damage item or items were received by the carrier and in substantially the same condition as when received by the warehouse. In such cases, the warehouseman has been relieved of liability. Where the warehouse could not produce such a receipt, the warehouseman was held liable.

There have been several cases in which the warehouse contractor has obtained a clear receipt from the driver of the van line making a pickup after storage and then signing the driver's inventory acknowledging that certain losses or damage exist. In such cases, the RSMO will hold the warehouse contractor liable, unless substantial proof is submitted that the loss or damage was not attributed to the warehouse.

Failure on the part of the storage contractor to obtain a receipt from the carrier, showing the true condition of the lot, could be considered a violation of good operating practice on the basis that he is not exercising the same degree of care as would be exercised by a reasonably careful owner. Certainly a reasonably careful owner of the goods will not release his goods to the warehouse without an inventory. It follows that the storage contractor should act accordingly when turning the goods over to the carrier or back to the owner. When he does not, he cannot justifiably claim lack of liability for reported loss or damage.

### **INVENTORIES:**

Aside from operating a good warehouse, the best protection against claims for loss or damage is an inventory properly prepared at the time the lot was picked up for storage and a properly prepared receipt from the carrier at the time the lot was turned over to him.

Provision C-5a of the "Technical Provisions" provides that an inventory will be prepared at the time of pickup of a lot. The inventory form should be similar to that shown in appendix B. An important feature of this form is the condition and location symbols shown. The use of these symbols, without deviation, is mandatory. It is the responsibility of the contractor to assure that his employees use an acceptable inventory form and in doing so, use the condition and location symbols prescribed and properly identify each piece.

It is not necessary that your inventory form be the same size or the identical format as the model. The latter is presented to show the correct preparation of a completed inventory. Regardless of the format used the inventory must contain all the information referred to by the circled numbers of the model. Captions relative to each number are on Appendix B-1.

With reference to the entries of items and condition, note the method used on the model. As an example, an entry of "chair" is not sufficient. The word "chair" should be followed by further description, such as "dining". Likewise, it is not proper for any entry to read "4 chairs, dining", each followed by the condition symbol. An entry, "bed, complete" is not acceptable. A correct entry would be "3.0 carton, linens" or "3.0 carton, kitchen utensils", as the case may be. Likewise, an entry of "3 cartons" is not correct. Each carton must have a piece number and be listed individually. All cartons must list contents, and the same for suitcases, foot lockers, tool boxes, trunks, and wooden crates, or otherwise empty.

One source of difficulty arising from claims is the failure of the contractor to obtain the signature of the driver of the line haul van, to an inventory or exception sheet showing each item and its condition at the time it left the warehouse. It is recommended that such a signature be obtained and recorded on your retained copy so as to have a complete picture on one piece of paper.

Using Activities have been instructed to report any contractor who does not submit inventories in accordance with the provisions of the agreement. If warehousemen will follow the model and explanatory notes, the necessity for such action will be eliminated.

### **WAREHOUSE RECEIPTS:**

Provision C - 7c of the BOA provides that the contractor shall furnish a non-negotiable warehouse receipt for each lot. It also provides the original and one copy will be furnished the Using Activity not later than seven (7) working days after receipt of the lot.

The warehouse receipt must be in form and substance satisfactory to the RSMO Contracting Officer. As the Contracting Officer has checked the format used by each contractor, it may be assumed that all legal requirements have been met. However, the manner of preparation varies with the warehouse and, as a result, some warehouse receipts do not meet the requirements of the agreement.

With reference to any standard form of warehouse receipt, contractors should be aware of the provisions of the third sentence of C - 7c of the BOA.

Using Activities have been instructed to return any warehouse receipt which does not comply with provisions of C - 7c. If contractors will follow the model and explanatory notes in Appendix C the necessity for such action may be eliminated.

Using Activities occasionally report that certain warehousemen are not complying with the requirement that warehouse receipts be submitted within at least seven working days. The RSMO may assist chronic violators in bringing their paperwork up to date by removing them from the eligible list until the problem is solved.

Contractors are entitled to receive the original warehouse receipt from the Ordering Officer upon completion of handling-out of a lot.

### **WEIGHT CERTIFICATES:**

Provision C - 7c of the BOA provides weight certificates be furnished with the initial invoice covering a lot.

Such weight certificates/scale tickets must be obtained from a licensed or qualified weigh master or a certified public scale.

Using Activities have been instructed to hold up payment of any lot which is not covered by a weight certificate or scale ticket. A model of the latter is shown in Appendix D.

### **WEIGHT ALLOWANCE:**

Each service member is authorized a weight allowance of household goods to store or move, or combination of the two, at government expense. The allowance is based on rank. Costs of storing and/or moving in excess of the authorized weight allowance must be borne by the service member.

Professional books, paper and equipment is a separate entitlement, when authorized, to be stored and moved at Government expense without regard to weight limitations. For this reason, they are to be weighed and listed separately as provided for in provision C - 4c of the " Technical Provisions".

The authorized storage weight allowances exclusive of professional books and papers, when authorized, is indicated on the Service Order. It is the weight shown in the printed line starting with "Maximum weight chargeable to the Government:. If a lot exceeds the authorized weight, bill the Government for the total weight. (NOTE: This billing requirement may vary from each military installation). Collection of excess costs from the member will be processed by the ordering activity in accordance with the existing policies and regulations.

### **CONTRACT DISPUTES ACT OF 1978:**

Disputes over BOA provisions and performance can arise in a contract situation and, of course, this is true with government contracts. The existence of a dispute does not, in the majority of cases, represent bad faith on the part of either party. No matter how carefully the BOA was written, how the RSMO Contracting Officer administers the agreement, or how sincerely storage contractors perform, disputes may occur which require resolution. Frequently, resolution takes the form of mutual agreement, but on occasion, agreement is not possible. Where the dispute is not resolved by agreement, other means must be used to resolve it.

While the current Disputes Act, FAR 33.0, primarily concerns questions of fact, it does not preclude the consideration of law questions related to the factual dispute.

When you, as a storage contractor and the RSMO Contracting Officer cannot agree as to some contract provision or as to adequacy of performance, a dispute exists which by contract agreement may be decided by the Contracting officer. It is your prerogative to request a decision on the matter in dispute. The RSMO Contracting Officer is then required to make a final decision and notify you in writing of the decision and advise you of the procedures for appeal. The final decision is binding and final unless you file a timely appeal or suit contesting the decision. The Act provides a contractor 90 days from the time of the receipt of the RSMO Contracting Officer's final decision in which to notify the Contracting Officer of an appeal. This must be in writing and submitted to the RSMO Contracting Officer, advising which alternative you are appealing to, the Armed Services Board of Contract Appeals or the Court of Claims.

It is the Government policy to resolve all disputes by mutual agreement at the RSMO Contracting Officer's level, without litigation, whenever possible.

### **FINANCIAL RESPONSIBILITY**

One of the RSMO's responsibilities is to determine that the contractor is financially able to perform his duties under the BOA. This determination is based on the contractor's

general financial position, the type of protection he has to enable him to survive a major loss and his general reputation for integrity.

The contractor's Financial Statement is obtained before the BOA is entered into. However, a satisfactory financial condition at that time does not assure that the same condition exists a year or two later. For this reason, each contractor is annually called upon to submit a recent Financial Statement. The RSMO realizes that such statements are of a confidential nature and acts accordingly.

Aside from the general financial situation, the RSMO is concerned as to the insurance or other protection the contractor carries. The failure of a contractor to adequately protect himself against a heavy financial loss due to a disaster is sufficient reason for the Contracting Officer to decline to enter into or renew a BOA. It is not sufficient reason for the contractor to claim he does not need insurance to cover losses in the event of a disaster. There are many legal precedents which show that a contractor can be held financially responsible for losses due to disasters such as fire, flood, or theft.

It is incumbent upon the contractor to assure himself that he has sufficient financial protection. It should be noted that many insurance policies covering warehousemen's legal liability do not cover losses to property stored under the BOA. It would be well to look into this matter.

#### **UNUSUAL OCCURRENCES:**

Contractors should immediately report unusual occurrences to the RSMO and the ITO. In this, your attention is specifically invited to C - 7d of the BOA and the following guidelines:

A. The following procedures are designed to aid the contractor and/or the employees in the event of an unusual occurrence (disaster/emergency/loss to non-temp storage or any non-temp facility or vehicle). The following is a list of unusual occurrences; however, you are advised that any unusual loss/damage involving non-temp storage should be treated as an unusual occurrence unless otherwise directed by the servicing RSMO.

B. Type of situations which are considered to be unusual occurrences:

1. Break-in or attempted break-in at the warehouse/office/truck or van.
2. An incident involving missing weapons.
3. Any incident involving missing items such as TVs, stereos, cameras, etc.
4. Lost lot within the warehouse.
5. Any incident involving water damage.



6. Structural failure to the warehouse/office.
7. Any fire/smoke incident inside/outside the warehouse/office/parking lot.
8. Insect or rodent infestation of the warehouse/office.
9. Dropped vault/collapsed rack.
10. Storms - producing damage or potential damage to stored household goods.

C. Upon discovery of any of the above situations, the contractor must comply with the Basic Ordering Agreement, Section C, C - 7d and contact the servicing RSMO immediately and be prepared to answer the following questions:

1. Contractor's Name \_\_\_\_\_  
Warehouse Address \_\_\_\_\_
2. Caller's Name \_\_\_\_\_  
Title/Position \_\_\_\_\_  
Telephone Number \_\_\_\_\_
3. Type Unusual Occurrence \_\_\_\_\_  
Date \_\_\_\_\_ Time \_\_\_\_\_  
Discovered by \_\_\_\_\_ Title/Position \_\_\_\_\_  
Date \_\_\_\_\_ Time \_\_\_\_\_
4. Probable Cause \_\_\_\_\_
5. Number of lot affected \_\_\_\_\_ Weight \_\_\_\_\_  
Number of lots in storage \_\_\_\_\_ Weight \_\_\_\_\_
6. Unusual occurrence reported to the Using Activity  
Date \_\_\_\_\_ Time \_\_\_\_\_  
Person Contacted \_\_\_\_\_

D. Items listed below must be provided in written form by the contractor unless otherwise directed by the Contracting Officer (RSMO).

1. A written report within ten (10) working days (or as otherwise directed by the Contracting Officer) of all known facts and events concerning the occurrence, in chronological order. This statement must include dates/times/places/names of all employees involved and all actions taken by management.

2. A written statement by each employee involved as to their complete knowledge of the situation and actions taken. This statement should be signed by the employee.

3. Complete list of lots involved, to include:

- Member's Name and Rank
- Social Security Account Number
- Service Order Number
- Weight of the lot

4. Documents that must be provided the Contracting Officer (RSMO) are:

- Copy of the Original Inventory.
- Rider or exception sheet showing damage items by Inventory Number
- Copy of the Original Service order placing lot in storage
- Other documents as directed by the Contracting Officer.

E. Contractors shall telephonically notify the Contracting Officer of an unusual occurrence upon discovery.

### **OWNER DEFAULT:**

When the owner of household goods, stored under a service order, owes the contractor for such items as insurance, weight of household goods beyond the authorized weight allowance, or any proper charge not ordered by the Government, the contractor is entitled to apply the usual warehousemen's lien in compliance with Uniform Commercial Code and/or State laws. Under such circumstances, the goods may be held until the owner pays for the services he ordered or is responsible for. With reference to lots which exceed the authorized weight, the owner is responsible for all charges on the overweight portion of his lot. See page 14 of this Handbook.

When a furniture or appliance dealer attempts to repossess a part of a lot stored under a Service Order, the matter should be referred to the RSMO and the Ordering Activity for guidance. For the information of the holder of the chattel mortgage or sales contract, this office will take steps to secure payment or a release from the service member. If this is not possible, receipt of a Court Order, a certified true copy of the Sales Agreement, or a similar document by this office will usually result in an order to release the property. The Government will continue to pay for storage of the property until the issue is settled.

## **EXAMINATION OF RECORDS - BY COMPTROLLER GENERAL,**

### **Provision I-10:**

This article would apply only to a specific Service Order which calls for a total expenditure of \$2,500.00 or more. It is highly improbable that any service order will result in such a cost. Government Bill of Lading (GBL) line haul costs upon removal from storage, are not considered as costs applicable to the service order.

## **INVOICES,** Provision G-2:

Invoices shall be submitted in original and 4 copies to the Ordering Officer unless otherwise directed by the ordering officer. Mechanized invoices may be used provided they satisfy the requirements of the FAR and supplements thereto and accounting practices of the individual military services. Government furnished invoices must be used when provided. Invoices shall be submitted (a) monthly with respect to pre-storage, handling-in, handling-out and post-storage services and (b) quarterly with respect to storage. Either consolidated or single lot quarterly invoices for storage shall be submitted and shall contain the following information for each lot number.

1. Basic Ordering Agreement Number and applicable rate modification number.
2. Service Order number.
3. Period of storage for which payment is claimed.
4. Item designation of services for which payment is claimed from the Schedule of Services and Rates for Personal Property, (Section B).
5. Contractor's lot number.
6. Weight as determined in Section C-4i.
7. Member's name(s), grade (s), or rank (s), and social security number (s).
8. The fund citation (s) appearing on initial or supplemental service order (s).

## **PAYMENT:**

The Prompt Payment Act (P.L. 97-177) requires federal agencies to pay their bills on time or pay interest penalties when payments are made late. Pursuant to policies and procedures outlined by the Office of Management and Budget for the receipt, processing, and payment of contractor invoices, the following guidance is furnished concerning invoices for the payment of Non-Temporary Storage (NTS) service performed under the Basic Ordering Agreement (BOA) and related transportation contracts. Payment must be made within 30 days of receipt. Notification of improper invoices within 15 days after receipt. Notification of improper invoices shall be made in writing and shall document the date of such notification.

The payment period will commence from the date of receipt of a corrected invoice. Invoices should be date stamped by the Personal Property Shipping Office (PPSO) upon receipt and upon release to the Finance and Accounting Office. The PPSO must process invoices in an expeditious manner to allow the payment office adequate time to complete the payment cycle and avoid interest penalties. Procedures should be established to provide the paying office the invoice within 5 (five) days after receipt. The date of the check is the concluding date and should be mailed to the contractor on or about the same date it is dated. If payment of a proper invoice is not made in the allotted time, not to exceed 30 days from the date of receipt at the PPS to the date of the check, interest begins on the 31st day after initial receipt. Interest on principal is added to the principal on 30 day increments. The rate of interest is derived from the Re negotiation Board Interest Rate which is published semiannually on or about 1 January and 1 July of each year. No modification of the Basic Ordering Agreement is necessary due to the Prompt Payment Act.

#### **COMPENSATION OF BOA:**

The Government reserves the right to award the contract for transportation of any lot of house hold goods stored with a contractor to any carrier the Government may select. The Contractor shall promptly, and in accordance with the direction of the appropriate ordering office, make lots available to the receiving carrier on a properly protected loading area of the contractor in a condition satisfactory to be received by such carrier. The contractor shall permit any such carrier to inventory and load goods from its facility without any charge to the receiving carrier or the Government and will acknowledge the receiving carrier's exception sheet or rider, noting the damage and/or shortages.

In the event the carrier does not pick up the lot on the specified date, the contractor shall notify the Ordering Officer and continue to store, protect, and be responsible for the property. Appropriate compensation will be made for restoring the shipment, upon approval of the Ordering Officer. The Ordering Officer will take action to annotate the Service Order for Household Goods (DD Form 1164), to require set-off action against the carrier on the applicable Government Bill of Lading by the services finance center for extra charges attributed to the carrier for not picking up the storage lot as scheduled.

When it is desired to remove all or part of a lot from the contractor's warehouse, the contractor may be unable to deliver some items to the carrier because of inability to locate them. In the event that these items are subsequently found in the warehouse by the contractor, the contractor shall be responsible for all shipping charges (in excess of what it could have cost the Government had the item(s) moved with the main lot) from the storage facility to the Base, Installation, or home address where the military/civilian is located. In the event the wrong lot or items are shipped/delivered, the contractor will be responsible for shipping cost of returning the erroneous lot or items and delivering the correct lot or items. Compensation to the contractor will not be over and above what it would have originally cost had the correct lot or items been delivered.

When the contractor attempts to pickup at residence on the date specified on the DD Form 1164, and the member/member's representative is not available at residence, the

contractor, upon approval of the Ordering Officer, shall be paid the drayage rate (Item 3, Schedule of Services and Rates for Personal Property) on a 500-pound shipment (minimum weight).

When the contractor attempts delivery at residence on the date specified on the DD Form 1164, and the member is unable to accept the shipment at residence, and the contractor returns the shipment to his warehouse, the contractor, upon approval of the Ordering Officer, shall be paid the Delivery Rate (Item 7, Schedule of Services and Rates for Personal Property) on actual weight, Handling In Rate and Continued Storage.

When ordered on DD Form 1164, the contractor will prepare an inventory for high/extraordinary value items and such "special services" shall be payable according to the rates set forth in Schedule of Services and Rates for Personal Property. The requested special services must be annotated on the DD Form 1164 by the ordering officer.

### CHAPTER III

### QUALITY CONTROL

#### WAREHOUSE STANDARDS AND INSPECTIONS:

As a contractor, you may assume that your warehouse and methods of operation met the minimum standards required for participation in the program at the time the BOA was entered into. Whether it continues to meet the standards is another matter.

To assure that proper standards are maintained and specifications complied with, the RSMO personnel will make periodic inspections. The DD Form 1812, Warehouse Inspection Report, shown as Appendix E. is used. Because it is an inspection report, all warehouse personnel should be trained to assure that every entry will pass at the time of inspection.

The DD Form 1812, and its system of rating are simple in operation. The type of inspection and date are marked, as applicable. The Contractor/Carrier Agent is named and the address of each approved warehouse is listed by fire class and number of lots and weight in place under the BOA. The BOA number and its present status are indicated. A check is made to determine if a current copy of the BOA is on file with the contractor and made aware to the employees.

There are five numbered examination sections on the DD Form 1812 that descriptively follow performance requirements of the BOA. The Pre and Post Storage Services items may be cited by ITO Quality Control personnel or be cited by the RSMO upon reports from the ITO affecting the BOA. In all other aspects, the findings of an on-site personal property warehouse inspection would apply.

The numbers assessed for a particular warehousing fault are: (1) meaning something minor; (2) as an intermediate, more serious matter; and (3) for serious concern. These will appear in the space provided for each item. For example: 3E, lots stored against exterior walls; an item or two within a lot touching the wall is deemed minor (1); whereas a whole lot touching the wall is intermediate serious (2); and more than one lot touching the wall is serious (3). This can be termed progressive gravity whereby any fault is given a response factor by the person making the review.

At the conclusion of a personal property warehousing inspection, the assessed individual fault numbers (demerits) are added together to produce a rating score. The report has four categories of ratings: **A for Zero demerits; B covering 1 to 8 demerits; C for 9 thru 16 demerits; and D with 17 or more demerits.** These categories are aligned for response action as noted in Block 6 of the report. A, B, and C are self-explanatory. D relates to a declared ineligible status interrupting the BOA in respect to additional new business. E is a continuation of a D rating when corrective action is not taken.

Jurisdiction to take a remedy action or interrupt the BOA is restricted to the RSMO Contracting Officer. All action against the Tender of Service is the responsibility of the ITO. The RSMO/ITO combination can share reports to effect a unanimous action when deemed appropriate.

The report and its method of use represent both numerical demerits and personal judgment. The factor of judgment can conditionally override the collective demerit score result. For example, inspection items with an asterisk (i.e. 2D, 3A, 3H, 3J, 3K, 3R, 4B, 4C, 4E, 4M, 4N, 5A, 5H, and 5I) present key risk matters where a citation can serve to interrupt the contract regardless of total demerit score. Inversely a collection of minor faults resulting in a score of 17 or more demerits can be amended by judgment to a priority attention matter in lieu of a contract interruption. Priority attention means a correction of the faults within a 10-day period.

Blocks appear for listing paperwork checked by lot number and lots examined in the warehouse. This does not serve to restrict the scope of the inspection for comments deemed necessary.

When required, the remarks blocks can be used for supplemental coverage of instructions. However, this is not the intention to pair each and every cited line item to a corresponding coverage in the remarks block. The Contractor is to respond to each line item wherein assessed points appear regarding corrective action taken, except for A and B ratings. In those cases, no response is required. Failure to respond within the prescribed time is due cause for additional remedial action and/or termination.

On the reverse side of the report, mention is made within the instructions of a Guide to Severity of Deficiencies, Appendix R of DOD 4500.34-R. These are the guidelines the inspector will use to rate your facility.

Distribution of the completed report puts the original with the preparing agency, RSMO or ITO; duplicate center copy to Contractor, and last copy to either ITO or RSMO.

The DD Form 1812, Inspection Report, is a management tool for personal property warehousing. It must coincide with absolute communication between the parties to be effective in its end results.

Recommend management, daily, weekly, etc., use the DD Form 1812 to critique your facility to ensure your operation is in compliance with the terms and conditions of the BOA.

One increasing violation of good storage practice is the tendency to accept more lots than can be received and properly stored in the three (3) working days allowed under C-7a of the BOA. This brings about an unsafe operation which inevitable results in loss or damage. Because of this, the RSMO has on occasion found it necessary to assist the contractor to clear its docks and aisles, by removing it from the list of eligible contractor until the situation is remedied. Contractor can prevent this by accepting only those lots which can be received and stored within the proper time.

Section C-2e and C-7a of BOA address pickup and drayage requirements. One key item to remember is that the contractor shall begin performance of handling-in services upon the arrival of the property at the warehouse. This action, to include placing the goods within the facility, should be completed immediately, but must be completed no later than the third (3) working day. The contractor has three (3) working days from the date of pickup to complete the remaining handling-in service.

What can happen when the three (3) working day rule is not enforced?

- a. The average contractor will handle about 10,000 pounds of goods per day, in and out of the warehouse. If processed fully, there is no problem, but if there are delays, the goods will pile up at the warehouse. Mix-ups are common.
- b. The receiving area, aisles and other semi-open areas may be used to stack the goods, exposing them to operational loss and damage.
- c. Additional delays occur because of revised work schedules and human error.
- d. The quality of service degenerates greatly.
- e. The situation will worsen until discovery is made - - by then the contractor is lost to the ITO through an ineligible status, pending ultimate correction of the matter.
- f. Claims actions may be expected to rise accordingly.

When does the problem occur: It may happen at any time however, it generally comes during peaks of business, amplifying its scope and effect.

To enforce and control the three (3) working day rule, we envision a suspense control system to denote on the third (3) working day past the pickup date the incomplete file, followed by immediate contact by the ITO and the RSMO Contracting Officer, in that order.

Contractors who find they are being offered more lots than they can properly handle should decline to accept some of them. If the warehouse is loaded close to capacity and likely to remain so for some time, notify the Using Activities (copy to RSMO) to discontinue offering you new lots until further notice from you. This voluntary action will to penalize you in any way, Reference H-3b of the BOA.

In general, warehouses are inspected at 120 day intervals, depending on the volume and turnover of military lots. The failure of the RSMO to inspect does not relieve the contractor of his responsibility to properly carry out his obligations of the BOA.

Occasionally, inspections are made more often than the 120 day normal period. Such inspections usually result from improper practices noted during previous inspections and can be interpreted as an indication that "something is wrong".



It is a violation of the BOA to store Government personal property in any warehouse not listed in Provision C - 7i of the BOA.

### **LOCATOR SYSTEM:**

Inventory control is an important part of personnel property warehousing, since stored items must ultimately be retrieved for release to owners. This retrieval may come within a few days or after several years, but there is no latitude for error regardless of how long personal property stays in storage. The name of the game is to present to each owner, upon call, the total property as initially received from that owner and substantially in the same condition.

The basis of effective control is an effective locator system. That sounds simple -- and it is simple. But sometimes its very simplicity generates carelessness, with all the attendant problems which lack of alertness brings. The relative seriousness is apparent in the fact that property cannot be returned to the owner if it cannot be found. It is also apparent that searching warehouses for missing property is an expensive matter of business.

The RSMO and individual installation Ordering Officers have a responsibility to ensure that contractors indeed provide the locator systems and lot identification required by C-6d of the BOA.

Property control is a locator system -- the designated points within a warehouse where specific items in a property lot will be found. In spite of variations in warehouse construction and individual firm management, there are locator system principles which can be followed across the board, industry-wide.

The first consideration is a warehouse layout. Imagine a warehouse without a roof, you are high above it, looking down. You see within the walls the configuration of pallets, racks, aisles, deck space, working bays, and office space to functionally serve the warehouse. We will assume that the interrelated balance of racks to pallets to operating spaces is nearly correct. The term interrelated balance means:

- an average property lot may require the use of three pallets;
- about 27 lineal feet of storage rack for upholstered furniture are needed per property lot;
- about 10 square feet per property lot are necessary for oversize or specialty items.
- from 5 to 10 rugs may be found in 30 to 35 property lots;
- about 300 square feet of working space feet per 100,000 to 125,000 pounds of storage may be needed to process property lots in and out;

- and that some capacity exists to accommodate overflow.

Accordingly, this balance is considered on every visit to a warehouse by the RSMO Inspector.

To be effective, records of the locator systems must be duplicated, that is, lot identification information must be available in the warehouse as well as in the office jacket file. Should the locator system records be destroyed within the office, the duplicate remains functional within the warehouse, and vice versa.

Attachment 5 of the BOA presents typical nucleus entries for Government storage. Nucleus simply means that, to pass the test, a locator system must contain the entries show, or equal data. It can contain as much more data as a particular contractor may desire, but never less than that shown on the nucleus entries. Where more than one pallet is used, the numbers shown on the bottom segment may be used to identify which items are in which pallet. This is sometimes called a bingo card and its use is optional at the discretion of the contractor. In similar fashion, is taken to mean wire bound tag for segregated items, is taken to mean wire bound tag or equal method of fastening.

A copy of the Locator sheet is to be in the office jacket file and a copy on each pallet in the warehouse office area. Each should reflect all pallets used by number and location and the full reading of segregated items and location. A segregation Item Tag is to be on all segregated items, filled out completely. In this manner, the item should never be lost, even if the location is changed and the change is not noted on the Locator Sheet. The resultant search I made for simpler when relocated segregated items are properly tagged.

### **STORAGE RELEASES:**

Some difficulties have been reported where all items of a shipment coming out of contract (non-temp) storage are not made available for pickup by the carrier from the storage warehouse. If a contractor is unable to locate items in a lot the ITO shall notify the Contracting Officer, who may withhold further business until such items are located or a thorough warehouse search is accomplished. Where failure to make such items available is the storage contractors fault and when the items are later located, the contractor will be instructed to forward the items at his expense by a mode which will most nearly meet the owner's need. The ITO will maintain close surveillance of contractor's actions in order to assure the manner of shipment is in the best interest of the member. In cases where the contractor fails to forward the shipment in accordance with the instructions of the ITO, he (the ITO) will make the shipment of the located items on a GBL by the mode necessary to most nearly meet the requirements of the owner. A demand in writing will then be placed upon the contractor for payment of the excess charges of the two shipments over what would have been the Government's cost had all items been forwarded in the initial shipment. A copy of the demand will be provided the RSMO. If a contractor fails to remit the amount of the excess within the time specified by the ITO, the matter will be referred to the RSMO Contracting Officer for action under the BOA Provision H-6c.

### **STORAGE REQUIREMENTS FREQUENTLY NOT PERFORMED:**

The BOA, Handling and Operating Requirements.

C - 4a(2) Reads "All nuts, bolts, and screws removed from household goods in preparation for drayage or storage shall be placed in a suitable bag, properly labeled and securely attached to the article from which removed. Components parts of a master item, removed for any reason, shall be securely wrapped into package from, identified as to contents, numbered and cross-referenced on the inventory to the master item from which removed."

C - 4b Appliance Servicing, states in part "When an appliance has been serviced at origin, such appliance shall be tagged, labeled, or clearly marked to indicate what must be done to replace the item in working condition at destination. In the event that servicing is not required as per manufactures recommendation, a tag or label shall be affixed to indicate "No servicing required". Any and all servicing shall be the responsibility of the Contractor, whether such servicing is accomplished by the Contractor or by a servicing activity engaged by the Contractor.

C - 6a(3) States "The Contractor shall insure that power driven equipment has been drained of all gasoline at residence and so tagged or labeled. NOTE: a tag with fine, rust proof wire, or equal is to be fastened to each segregated article, showing the inventory number and description, owner's name, lot number and item number in supplement to any regular label or sticker used.

You are reminded that a failure to properly tag an appliance as indicated will not relieve applied claims recovery as may appear later in the contract.

C -6c(7) Requires all household goods be stored on skids, dunnage, pallet bases, elevated platforms, or similar storage aids, maintaining a minimum two (2) inch clearance from the floor to the stored goods. Height of household goods properly stacked loose can not exceed 10 feet. Also, household goods cannot be stored in contact with exterior walls. Trash cans, extension ladders, lawn mowers, TV antennas, swing sets and other like items are excluded from these requirements. The applicable of moisture from the wall to the household goods and satisfy the local Fire Department requirements for hose stream input in case of fire.

### **LIABILITY FOR CARE OF PROPERTY H - 6d:**

This provision requires that military household goods be stored only in warehouses which have been approved by the RSMO. Contractors should not use a building not use a building not previously approved on the supposition that it will be approved. Such an action could result in an order to remove all the military lots to an approved warehouse at the contractor's expense.

H - 9                      Also prohibits sub-contracting without the consent of the RSMO Contracting Officer.

Other references in the BOA to sub-contracting are contained in acquisition clauses common to all Government contracts. These references do not in any way authorize sub-contracting for storage or related services.

### **REQUIREMENTS FOR SERVICE:**

Practically all deficiencies noted by Using Activity and RSMO personnel are a direct result of the failure of warehouse personnel to read and comply with provisions of the Section C of the BOA.

In all to many cases, it has been found that packers, van drivers and warehouse personnel are not even aware that Government specifications often require procedures different from those used for the general public. It is seldom that these people have been furnished a set of specifications. Without them how can they do the job?

To remedy this condition, the following synopsis of requirements is an extract of the BOA for Non-Temp Storage, intended as instructional for the work crew. This short explanation of requirements guides the work crew through inventory, pack and pickup of a storage lot. It should be made available to all personnel and especially new hire and part time personnel to assure minimum proper contract performance. Topics are underlined, followed by the required specifications for accomplishment. This needs to be with the employees at the job site, as well as at warehouse and offices.

**Paperwork needed** - Inventory and Warehouse Receipt, heading blocks completed ( Owner's name, social security number, rank, Basic Ordering Agreement Number, rate modification number, service order number, pick up address, lot number, and any special instructions), rustproof wire tags or equal with minimum information completed (owner's name, lot number, and piece number), item stickers with lot number, appliance servicing tags and packing materials lists. All paperwork being sent to the Transportation Office is due within seven (7) working days.

**Vehicle** - Clean, good condition, with adequate packing materials, pads, tarps, and handling equipment, chains, dollies, hand truck and straps.

**Weight** - Use certified scale nearest origin of shipment, pads and handling equipment on, put service order number, name and rank of member on weight ticket, get weighmaster signature. Contractor may substitute a certified platform scale to obtain net weight.

**Inventories** - Use page numbers. Use inclusive item numbers. No ditto marks. No PBO. Show conditions and contents on each item; also make, model and serial number, on guns and appliance where applicable. Upholstered pieces, rugs and pads by type, style, color or pattern and size. Parts to any master item will be wrapped into package form, numbered and entered

by cross reference owner. Declared articles of extraordinary value shall be individually inventoried and packed separately upon prior approval by the Ordering Officer. High-value items listed in specific terms such as: "12 forks, 12 spoons, one clock:. Professional books and equipment shall be inventoried separately.

**Cartons** New or sound condition, adequate for specific use, dry and clean. New cartons only for mattresses, box springs, linens, bedding and clothing. On 200 pound burst strength, width and depth will not exceed 75 inches no 65 pound load. On 350 pound burst strength the load is limited to 120 pounds, and not exceeding 157 inches combined measurements. Packed to withstand and provide normal transport and storage. Sealed, caution marked, (TOP, THIS END UP, FRAGILE) as needed. Previous identifying markers should be obliterated or removed on used cartons.

**Packing Books** - Packed in cartons or boxes. Pads of solid or corrugated fiberboard inserted between rows, wedge with pads of paper. Vertical inset cushion between rows, two high only.

**Packing Chinaware, Glassware, Kitchenware** - Modern unit pack, cell or wrap, in tiers, heaviest items on bottom, flatware on edge, stemware bottom side up. Containers shall be a minimum of five cubic feet, shall contain no more than 120 pounds and have a sidewall bursting strength of 350 pounds.

**Packing Linen, Clothing, Draperies and the Like** - Closet bags are unauthorized. Items are to be placed in cartons and completely sealed at the residence. Flat wardrobe cartons will be used for clothing. Remove hangers. The use of upright wardrobes with hangers require prior authorization by the Ordering Officer. Remove all items from drawers except "overseas later" lots where light weight non-breakable items are allowed.

**Packing Mirrors, Pictures, Paintings, Glass or Marble Tops** - Wrapped and cushioned into container or crate made for the purpose, not to exceed four to any one container (glass or mirror pack). Marble tops are to be packed separately. All pieces to be stored on edge. Small units may be packed and cushioned into cartons and sealed.

**Packing Lampshades, Ornaments, Toys, Etc.** - Items easily crushed will be wrapped and placed in cartons, cushioned from carton walls and other items. Cartons shall be marked FRAGILE. Lampshades require individual wrapping with clean paper plus the cushioning to prevent shifting and damage.

**Packing Silverware, Silver Pieces and Brass Ornaments** - Each item to be wrapped with "non - tarnish" tissue paper, pitchers, bowls, etc., and placed in a carton with cushioning to defend the items. Salt will be emptied from any items prior to packing.

**Handling Firearms** - All firearms to be inventoried as a line item, showing make, model and serial; number, caliber or gauge, wrapped, padded and placed within the center of the stack or pallet for storage. Pistols will be wrapped and packed in cartons and so annotated on the inventory.

**Electrical or Electronic Equipment** - Such equipment shall be completely wrapped and packed in a carton with padding to prevent contact with another article and to eliminate movement within the carton.

**Mattresses** - All mattresses and box springs, except hide-a-beds and sofa beds must be placed in proper sized cartons and completely sealed at the residence. All cartons must be new, with 200 pound bursting strength, including any improvised to fit odd size or shape mattresses. Foam rubber and cotton mattresses are to be stored horizontally.

**Upholstered Pieces** - Should be handled carefully, right side up, padded at the residence, with cushions in place, and placed on racks with their legs and covered at the warehouse. Appropriate insecticide applied to defend pieces from any contamination. Hide-a-bed and sofa bed mattresses stored with piece. Rustproof wire tags or equal affixed, showing the owner's name, item number and lot number to identify the piece. Place the tag on a leg or similar firm position, not damaging the piece, while at the residence. All pieces to be elevated two (2) inches from decking or floor.

**Rugs, Pads, and Carpets or Equivalent** - Rustproof wire tags, or equal, placed on the rug at the residence and later on the outside of the wrapping, showing the owner's name, item number, and lot number. Appropriate insecticide used at the warehouse to protect the rug, pad or carpet, which, when wrapped in 60 pound draft paper will be stored flat on racks (not more than two (2) high) or in special tubes, elevated a minimum of two (2) inches from the floor.

**Phonograph Records, Tapes, Video Cassettes, Computer Diskettes and Compact Disks** - Packed and stored vertically with cushioning and tier separators to minimize movement and pressure.

**Items with Finished Surfaces, Wood or Metal** - All items not packed must be protected by pads and wrapping at the residence and at the warehouse.

**Nuts, Bolts and Screws** - Placed in a bag, properly marked and secured to the master item. Component legs or other major parts removed, numbered and entered on the inventory by cross reference.

**Appliances** - Will be serviced when necessary, for safe transportation and storage and a label attached and marked as "SERVICED". Otherwise labeled as "NOT SERVICED". Nothing will be packed therein. Tape applied at the residence to secure doors or lids will be removed prior to storage. Lawnmowers and other gas engine items will be drained of gas at the residence and label applied accordingly, also rust proof wire bound tag or equal, applied with owner's name, lot number, and piece number. Lawn mowers must be stored in the base of the lot or in a separate area.

**Marking of Items** - All items require a tag, tape or written marking the same as the line entry on the inventory. No markings or tapes will be made or placed on front finished surfaces. Each item must bear its lot number. Carton will be marked as needed to define the contents

(GLASS, FRAGILE, UP, etc.) and member's name. Contents of the cartons marked on the outside in general terms.

**Articles of Extraordinary Value** - Request instructions from your company.

**Owner Packed Goods** - Open all such containers to verify proper packing and that the contents can be placed into storage and that the container is acceptable. Replace carton or repack as required and become carrier packed. (CP). Unauthorized items for storage will not be picked up. Locked containers will be opened and examined as state herein, or rejected for pickup. If the member refuses to permit inspections, the contractor shall request instructions from the Ordering Officer.

**Motorcycles** - To be drained of gas. Oil remains in engine. Gas tank, carburetor, control cables lubed. Drain radiator. Disconnect battery. Put cap on positive terminal. (Remove battery for long term storage). Key goes to Contractor. Key is to be kept in member's file. Key is returned in bag fastened to handlebar by rust proof wire or equivalent. Motorcycle remains in upright position. Nothing touching or pressing on it. Requires full cover. Servicing is member's responsibility prior to acceptance by contractor.

**Items not Acceptable for Storage** - Cell batteries, plants, fruits, explosives and flammables (matches, cleaning fluid, gasoline, oil, flash bulbs, fireworks, flints, acids, chemicals, gun powder, ammo caps, loaded ammo, aerosol cans, etc.).

**Personnel** - Treat all items as if they were yours and the owner as if he were you. Should a problem arise, call both your company and the Installation Transportation Officer (ITO) for assistance.

**Security** - Vans are to be secured by padlock or surface key lock. Shipments are not to be left on trucks in an unsecured area. No Smoking while at the residence, loading or unloading truck, nor in the warehouse. Warehouse aisles not to be used to process lots in or out.

**Boats** - Boats on trailers will be stored on the trailer. Small boats not on trailers can be stored in racks or a separate area in such a manner so as to prevent damage. All items not permanently affixed to the boats shall be removed and packed to include inventorying and tagging as appropriate. Member is obligated to, and contractor shall, ensure that gas tanks are empty and the batteries removed (except that batteries in boats stored for 1 year or less may remain, provided the cables have been disconnected and ends taped). The member shall remove the drain plug and if not permanently attached to the boat, placed in a cloth bag, or equivalent and tied to the boat. Identification will be in compliance with provision C-6d(3).

## **CHAPTER IV**

### **FIRE PROTECTION AND SECURITY STANDARDS**

A far reaching warehouse fire prevention program, fostered and developed by MTMC and the warehousing industry over a period of years, has kept the number of fires down.

#### **Warehouse Classification Standards:**

Minimum fire protection standards are based on fire protection systems, fire insurance rates, and other factors. Warehouses which do not meet these minimum standards will not be approved for participation in the program.

	Limitation (pounds)
<b>Class 1</b> Fully automatic supervised sprinkler system (SSP)	1,500,000
<b>Class 2</b> Fully automatic unsupervised sprinkler system (USP)	1,000,000
<b>Class 3</b> Supervised detection and reporting system (D & R)	600,000

**Note:** Fire protection systems will meet the requirement for insurance rate credit by the recognized fire insurance rating organization. Written evidence of the recognition of the installed fire protection system shall be obtained by the contractor/agent from the cognizant fire insurance rating organization through the contractor's/agent's insurance company. Periodic inspection by the Contracting Officer will verify that the warehouseman is having the system properly maintained.

All classes of warehouses will have an adequate source of water for firefighting purposes and a responsive fire department. Adequacy of the water supply and fire department will be based upon statements by the appropriate fire insurance rating organization, municipal fire department, or local authority have jurisdiction.

Weight limitation pertains to a warehouse or a fire separation thereof.

It must not be assumed that because warehouse meets the requirements as to class, it is automatically eligible or acceptable for storage of Government household goods. The long standing requirements for good storage practices, including fire prevention activities not covered in this section, are still in force.

#### **Fire Prevention Measures:**

Properly manage fire prevention program can be the strongest asset for the sound personal property warehouse operation. The following standards referenced in the BOA, C-7



and C-6c are considered minimum requirements to assure reasonable protection and prevention from having a serious warehouse fire; however, the following is recommended.

Employees are "key" in any fire prevention - security program. They should be instructed in all aspects of fire prevention/security throughout the warehouse operation. Management personnel, however, must supervise and "lead" in order for any such program to be totally successful.

### **Fire Prevention:**

Procedures "in the event" of a fire should be well known by all employees and a fire fighting/evacuation plan be clearly written and prominently displayed. Management must cooperate fully with the local fire department to obtain maximum technical assistance in fire prevention and protection. An annual inspection by fire department personnel is recommended to insure compliance with local fire codes.

Smoking is prohibited during all phases of the storage program. This includes while working inside the warehouse, on dock areas and loading/unloading vans, etc.

"No Smoking" signs will be conspicuously displayed near all entrances to the warehouse, around dock areas, inside all vans and throughout the warehouse itself.

Counsel all employees verbally and have them sign a written statement that they understand your NO SMOKING policy and the consequences of violating that policy.

Designate exactly where, within your complex, smoking will be allowed. This approved area will be furnished so as to minimize the ever present risk of fire. This entails:

1. Adequate number of container type ash trays and/or sand buckets in place.
2. Metal container type waste receptacles, with metal lids, for use and collection of all smoking materials.
3. Only fire resistant furniture in use.
4. Any carpeting must be of a fire resistant nature.
5. Breakrooms, lunchrooms, and offices must be checked prior to closing each evening to insure that all smoking materials have to be properly disposed of.
6. The warehouse must also be checked daily for security and fire violations prior to closing.

Check the warehouse frequently; back aisles, corners, crating areas and near dock areas for evidence of smoking and/or any types of fire hazard.

- Metal Trash cans with metal lids are required for trash disposal. DO NOT allow trash/debris to accumulate inside or outside the warehouse.

- Use of any flammable liquids (including paint) inside the warehouse is prohibited.

- A small quantity of operational paint/thinner is allowed within an approved warehouse provided it is stored within a metal cabinet away from ignition sources.

- Liquefied petroleum (propane, butane, ethane, ethylene, propylene, isobutane, butylene, etc.) cannot be stored in the warehouse. All refillable type containers within a member's lot must be purged in accordance with National Fire Protection Association guidelines and so labeled.

- Gas must be drained from all motorized items and such items tagged accordingly.

- Hazardous items/materials will not be stored within lots, spray cans, ammunition, gun powder, primer caps, paint, etc.

- Recharging of batteries in the warehouse is prohibited without adequate ventilation to disperse the explosive gases generated and during non-business hours.

- Oil fired space heaters, "salamanders", are not permitted inside the warehouse.

- Use of any U. L. approved portable electric heater increases fire risk and must be closely monitored.

- Extension cords/trouble lights will not be used in lieu of permanently approved wiring. "U. L." 3 wire approved extension cords can be used with hand operated power equipment (drills, saws, etc.), but must be unplugged when not in use.

- Maintain electric/heat/water systems in good repair and inspect on a regular basis.

- Insure fire detection and sprinkler systems are maintained in proper working order.

- Do not place any obstructions within 18 inches of the sprinkler heads. Adequate aisle must be maintained for access to sprinkler controls.

- Fire extinguishers are required on all warehouse handling equipment - fully charged and readily accessible. Extinguishers should be of the proper type and quality, clearly visible, readily accessible and in proper operating condition. Extinguishers should be inspected and tested on a yearly basis. All contractor personnel should be trained in the proper use of the fire extinguishers.

- Adequate main aisles (generally not less than 8 feet) and cross aisles are necessary to provide means of egress and manual fire fighting - keep all aisles free of storage and other materials which could restrict free movement.

- Parking of gasoline and electrical powered material handling equipment should not be permitted inside the warehouse unless suitable non-hazardous locations, readily accessible to a building exit, are used and such location does not conflict with other local applicable fire regulations.

- Parking of gasoline and electrical powered material handling equipment should not be permitted inside the warehouse unless suitable non-hazardous locations, readily accessible to a building exit, are used and such location does not conflict with other local applicable fire regulations.

- Not less than 5 feet clearances should be maintained between parked equipment (forklifts, etc.) and any combustible material. Aisles and exits for immediate removal of equipment in case of emergency should be kept clear at all times.

- Parking of gasoline and electrical material handling equipment, trucks, tractors, trailers, and vans, and storage of packing material, pallets, containers, and other combustible material on or near the loading docks, under awnings, canopies, or within 20 feet of the warehouse is not permitted during non-business hours.

- Parking areas and driveways approaching the warehouse must be maintained to allow easy access by fire fighting personnel.

- In the event of fire, smoke, or associated water damage to stored Government household goods, the contractor must follow directives set forth in the Basic Ordering Agreement and Part II of this handbook.

- Location of portable fire extinguishers within the warehouse must be clearly visible, with elevated signs. All fire extinguishers must be properly mounted.

## **DEFINITIONS APPLICABLE TO FIRE PREVENTION STANDARDS**

### **Fire Contents Rate (FCR):**

The insurance rate applied by the appropriate Insurance Service Office (ISO), on household goods in storage. All references to FCR are based on 80% co-insurance per \$100.00 per year.

### **Fully automatic Supervised Sprinkler System (SSP):**

One which, in the event of a fire, will be set in operation without direct or indirect action on the part of anyone. Upon being set in operation, an alarm will sound at a central point which is manned 24 hours a day. Such a point could be an ADT office, or the local fire or police station. An alarm sounding at a home, or watchman station, or a system which merely sound an alarm mounted outside the warehouse, does not qualify as being supervised.

In addition, the sprinkler system requires a sprinkler inspection (utilizing NFPA 13A guidance) performed by a licensed contractor on a quarterly basis, within a 90-days period.

**Fully Automatic Non-Supervised Sprinkler System (USP):**

One which, in the event of a fire, will be set in operation without direct or indirect action on the part of anyone, but which will not sound an alarm at a central point. Automatic Sprinkler System (Non-Supervised) required inspection by a licensed contractor on a quarterly basis, within a 90-day period.

**Supervised Detection and Reporting System (D&R):**

A detection system working on a smoke or temperature rise principle which is activated automatically and which sounds an alarm at a central point manned 24 hours a day and recognized by the ISO or fire rating agency. Fire Detection and Reporting System requires inspection of electronic monitor by a licensed contractor monthly, with a 30-day period.

**Fire Area:**

- An area in which Government household goods are stored.
- The key to this entire set of standards is the weight limitation applied to each fire area. Thus, it is important that each contractor fully understands the meaning of the term as it applies to his operation. Below are several examples of fire area. To attempt to describe all probable types is impracticable. If these examples leave you in doubt as to your warehouse, feel free to contract the RSMO for a ruling.
  - \* A one story building, regardless of type of construction or size, with but one general storage area, is a single fire area.
  - \* In a one story building, regardless of type of construction, with a standard fire wall dividing the general storage area into two or more parts, each such part is a separate fire area. A standard fire wall can be constructed of masonry brick or cement block or studs and gypsum board taped and sealed depending on the fire resistance rating desired. Fire walls cannot have breaks or openings in them.
  - \* In an all masonry building, with multiple floors, the entire building is one fire area.
  - \* In a mill type structure, the entire building is one fire area.

When in doubt as to the fire areas in your building, ask yourself the follow question:

" Is it probable that a fire in any part of my warehouse will be contained in the same area for one hour because of the construction of the building."

If the answer is "YES", then that area is probably a separate fire area. In asking the question, bear in mind that fire protection engineers do not consider that a sprinkler system in a mill type building will necessarily prevent a fire from spreading between floors.

**Weight Limitation Per Fire Area:**

At no time shall the total weight stored exceed the weight limit in pounds indicated for each location. In order to ensure that limits indicated for each location are not exceeded, a record will be maintained for each location reflecting the number of lots and total weight of lots stored by the Government under this and other agreements.

These standards were established to limit the exposure, and therefore the monetary loss to military lots in public storage, in the event of fire.

The RSMO maintains controls over the amount and weight of military household goods stored in a warehouse or fire areas. However, this will not relieve the contractor from his responsibility to limit the Government weight stored in fire areas to that shown on page \_\_\_\_\_ of this Handbook.

**Multiple Occupancy:**

Multiple occupancy of a warehouse exists when there is no one-hour rated solid wall used to separate a BOA contractor from another activity within the warehouse.

By simple definition, it is two or more firms occupying the same four walls of a warehouse. This is construed as a uninsurable risk.

**The Following Examples Require a Solid Wall Separation:**

- A. Carrier/Agency and Carrier/Agency (SIT only)
- B. Non-Temp Storage (NTS) Contractor and Carrier/Agent which are separate companies.
- C. NTS Contractor who is also a Carrier/Agent and another Carrier/Agent.
- D. NTS Contractor and NTS Contractor Carrier/Agent.
- E. NTS Contractor and Carrier/Agent and other leased space not under exclusive control of NTS Contractor
- F. Carrier/Agent and other leased space not under exclusive control of Carrier/Agent.
- G. NTS Contractor and NTS Contractor.

**H. NTS Contractor and other leased space not under the exclusive control of the NTS Contractor**

**The Following Examples DO NOT Require a Solid Wall Separation:**

**A. NTS Contractor/Carrier Agent, Same Company**

**B. NTS Contractor who also provides Storage of other types but retains exclusive control of all areas.**

**C. Carrier/Agent company who also provides storage of other types but retains exclusive control of all areas.**

It is important to note that adequate protection against the hazards of other functions is always required.

The solid wall has been defined as a closed structure reaching from wall to wall without openings or apertures, and extending from floor to ceiling, except that sufficient space may be allowed to permit the operations of a central controlled fire detection and sprinkler system. As a minimum, construction must be of no less than 2" x 4" framing, (wood or metal studs) on no greater than 16 centers, fire stopped, covered solidly on both sides with not less than 5/8-inch thick sheetrock, type "x" gypsum board (taped and sealed), or other similar fire resistant materials, providing for permanent type construction. Existing walls or construction of walls exceeding these requirements are acceptable for both Storage-in-Transit and the Basic Ordering Agreement storage facilities.

The "one-hour" fire resistant certification will be obtained from the cognizant state insurance services office or state/local fire authority.

Section 7, Chapter 6, of the National Fire Protection Association Handbook applies to fire safety in building design and construction. Fire resistance periods and fire resistance rating are based on the results of tests made IAW the NFPA No. 251, Standard Methods of Fire Tests of Building Construction and Materials.

**Security Measures:**

Considering security, storage contractors must be alert to three common risks; unlawful entry, pilferage and vandalism. Distinction must be maintained between the various types of thievery, since a system which prevents one may be ineffective against the other.

A mass theft usually involves successful defeat of an electronic protection system; however, such theft may be deterred in several ways.

It is recommended that lights and locked fenced areas be used to supplement all other measures.

Access walk-in doors, warehouse doors and warehouse windows that may be subject to entry by simply breaking the glass that may be subject to entry by simply breaking the glass therein, require additional protective measures. It is recommended that heavy gauge metal mesh such as chain link fence or equal, be placed on the interior slides to preclude any simple entry. Bars or other hardware can also be used. Installation of a burglar alarm to protect these openings negates the requirement for wire or bars.

Lockup systems for the warehouse will be of a type that are defended from reach by applied bar leverage or cutting tool. All doors require double locking mechanisms, as a minimum, with padlocks inserted in the lock bar or track of overhead doors. Electric controlled overhead doors, metal pins or snap fasteners are not recognized as second locks on doors. Burglar alarm systems are acceptable as a second security locking system. Any door from the administrative office to the warehouse should be secured with a double lock system. Warehouse doors will be kept closed when not in use. All doors mentioned, must have security hinges or the hinges must be modified to prevent the removal of the hinge pins.

Doors on vans should be secured with heavy duty reinforced padlocks or surface key locks. Van will be kept within locked fenced areas whenever possible. Goods will be off-loaded from vans at the first available opportunity, preferable same day as pick up.

Firearms must be listed on the inventory by make, model, serial number and caliber or gauge according to clause C-5a. The weapons must be stored with the bulk of the lots as separate storage for firearms, such central type storage location requires written approval of the local Law enforcement authority and the RSMO, respectively. It is the obligation of the contractor to ascertain existence of firearm control ordinances as well as to immediately report any theft or loss to the RSMO via the quickest means of communication.

### **Security Preparedness:**

Security preparedness covers a wide range of subjects, from the prevention of simple break-ins to protection from common weather elements. The following inspection "check list" should be accomplished on a daily basis by a responsible employee. Review by management personnel on a weekly or bi-weekly schedule is strongly recommended.

## **DAILY SECURITY AND MAINTENANCE CHECKLIST**

### **Exterior Checks:**

- Check outside Security - Security fences, exterior lighting, windows and doors.  
Maintain all electronic security systems in proper working order.

- Check warehouse for Deterioration - Including walls, doors, windows and roof areas.

- Dock area should be neat, clean, and free from congestion.

- Trucks are not parked within 20 feet of the warehouse at the close of business. They can provide easy access to roof areas and upper floor windows and block access to the warehouse.

- Insure all exterior locks are in place and functioning properly.

- Check that the alarm system is activated prior to departure at night.

- Constantly examine the entire outside of the warehouse for possible ways a burglar or arsonist may attach - then take steps to defend against such an attack.

- Check all van doors for security/intrusion.

- Check doors for tight fit good weather stripping and no physical damage.

- Possible water leaks - water stain around skylights, air vents, support beams, and ceiling. Water puddles on pallets or warehouse floors are positive indications of water leaks and must be dealt with immediately. (see Part III)

- Insure aisles are clear and exit doors are not blocked unless approved by the fire department and so marked.

In addition to the "daily Checklist", management personnel should be aware of and accomplish the following.

- Counsel all employees on the importance of total warehouse security.

- Trucks and vans should be kept locked with heavy duty padlocks at all times.

- All warehouse doors should be closed when not in use.

- Control of keys is extremely important. Locks are of little value if key are not kept in a secure area.

- "Double locking systems: are required on all warehouse doors to deter simple entry by applied bar leverage or cutting tool. Padlocks placed in the overhead door track is acceptable as a second lock.

- Hinges on personnel doors should not be exposed to the outside unless they are burglar proof.

- The office door leading to the warehouse should be solid wood or metal with double locks to prevent entry from the office to the warehouse.



- Windows and glass doors should be fitted with interior grid of heavy metal mesh (chainlink fence quality) to prevent simple entry or burglar alarmed.

- Insure all storage is elevated minimum of two inches from the floor.

- Periodic lock changes are an excellent means to increase warehouse security.

- Seek local law enforcement agency assistance and recommendations to supplement your own analysis and efforts.

- Insurance agents can be a valuable source of crime prevention information. Most agents are more than willing to inspect facilities for weak security/fire prevention area.

- Burglar alarm systems are always recommended.

- Transient personnel in the warehouse be positively controlled at all times.

**INDEX TO THE PROVISIONS  
OF THE  
BASIC ORDERING AGREEMENT**

**INDEX TO BASIC ORDERING AGREEMENT**

<b><u>ITEM</u></b>	<b><u>PROVISION</u></b>	<b><u>PAGE</u></b>
Acceptance of Order	H-3c	31
Adhesives	C-4c	12
Affirmative Action Compliance	K-12	53
Aisles	6c(2)	21
	C-6c(6)	22
Annual Review	C-1d	4
	H-7	36
	Attach-6	Attach-6
Appliance Service	C-4b	12
Attempted Delivery	H-5e	35
Attempted Pickup	H-6d	36
Authorized Negotiators	K-6	49
Basic Ordering Agreement		
- Annual Review	H-7	36
	Attach-6	Attach-6
- Changes	I-2	40
- Default	I-44	44
- Definition	C-1e	4
- Distribution	H-2	30
- Possession	H-8	36
Batteries	C-6a(4)	19
	C-6c(9)	22
Best Commercial Practices	C-3b	8
Boats	C-6b(11)	21
Books		
- Packing	C-3a	8
- Professional	C-4e	13
- Weight	C-4e	13
	C-4i	14
Boxes	C-2c(1)	6
Building	C-6c(1)	21
Carrier, No Show	H-5b	34

<b>Cartons</b>	<b>C-2c(2)</b>	<b>6</b>
<b>Changes</b>		
- BOA	I-2	40
- Management of Business	C-7f	26
- Name	C-7f	26
- Ownership	C-7f	26
- Rates	H-1	29
<b>Charges for Services</b>	H-4	33
<b>Chemicals</b>	C-6b(6)	20
<b>Chest of Drawers</b>	C-4a(3)	11
<b>Chinaware</b>	C-3b	9
<b>Claims</b>		
- Loss/Damage	C-7d	25
	C-7d(4)	26
- Reporting	H-10	36
-Settlement	H-6c	35
<b>Clean Air and Water Certification</b>	K-14	55
<b>Clearances</b>	C-6c(2)	21
<b>Clocks</b>	C-3b	9
<b>Clothes Washer/Dryer</b>	C-4a(4)	11
<b>Clothing</b>	C-3e	9
<b>Compensation</b>	H-5	34
<b>Container/Material</b>	C-2c	6
	C-2f	8
<b>Contractor's Duties</b>	C-7	25
<b>Contract Disputes Act</b>	I-36	43
<b>Contractor Personnel</b>	C-2g	8
<b>Conversion to Member's Expense</b>	H-2b	30
<b>Cubing</b>	C-4i(5)	14
<b>Damage</b>	C-6c(1)	21
	C-7d	25
<b>Deductibles</b>	C-7h(4)	27
<b>Default</b>	I-44	44
<b>Definitions</b>	C-1e	4
	I-5	41
<b>Delivery</b>	C-4k	15
	H-5e	35
	H-10	36
<b>Distribution of Agreement</b>	H-2	30
<b>Dish Packs</b>	C-2c(3)	6
<b>Documentation -ITO/TMO</b>	C-7c	24
<b>Draperies</b>	C-3e	9
<b>Driveways/Docks</b>	C-6c(6)	22
<b>Drums, Fiber</b>	C-2c(3)	6
<b>Electrical Equipment</b>	C-3c	9
<b>Emergency Procedures</b>	C-7d	26

Expiration of Entitlement	H-4f	33
Extension Cords	C-6c(8)	22
Extra Clause	C-4m	16
Extraordinary Value	C-4f	13
	H-5f	35
Failure to Release All Items	H-5c	34
Fans	C-3c	9
Finished Surfaces	C-2d(2)	7
	C-4a(1)	11
	C-6a(1)	19
Filler Materials	C-2c(4)	7
Fire		
- Extinguishers	C-6c(2)	21
- Extinguisher	C-6c(11)	23
- Ordinance	C-6c(2)	21
	C-7e	26
- Plan	C-6c(2)	21
Fire Protection		
- Electrical Systems	C-6c(8)	22
- Equipment	C-6c(9)	22
-Sprinkler/Detection and Reporting Systems	C-6c(10)	22
Firearms	C-3m	11
	C-5b	17
	C-6b(8)	20
Forklifts	C-6c(9)	22
Fuel Storage	C-6a(3)(4)	19
	C-6c(9)	22
Glass Table Tops	C-3f	9
Glassware	C-3b	9
Handling In/Out	C-7a	24
	C-7g	27
Hazardous Material	C-6c(3)	21
ID Tags for Segregated Items	C-6d(3)	23
Initial Service Order	H-3d	32
Insecticide	C-6b(1)	19
	C-6b(4)	20
Inspection - Warehouse		
- Routine	E	28
-Unusual Occurrence	C-7d	25
Insurance		
- Certificate	Attach 3	Attach 3
- Requirements	C-7h	27
Inventory	C-5	16

<b>Invoices</b>	<b>G-2</b>	<b>29</b>
<b>Kitchenware</b>	<b>C-3d</b>	<b>9</b>
<b>Labels</b>	<b>C-4c</b>	<b>12</b>
<b>Lamps</b>	<b>C-3b</b>	<b>9</b>
<b>Lamp Shades</b>	<b>C-3g</b>	<b>10</b>
<b>Lawn Mowers</b>	<b>C-6a(3)</b>	<b>19</b>
	<b>C-6b(10)</b>	<b>21</b>
	<b>C-6d(3)</b>	<b>23</b>
<b>Liability</b>	<b>H-6</b>	<b>35</b>
<b>Linens</b>	<b>C-3e</b>	<b>9</b>
<b>Locator System</b>	<b>C-6d</b>	<b>23</b>
<b>Losses</b>	<b>C-7d</b>	<b>25</b>
	<b>H-5c</b>	<b>34</b>
<b>Markings</b>	<b>C-4d</b>	<b>12</b>
<b>Mattresses</b>	<b>C-3i</b>	<b>10</b>
<b>Member Packed Goods</b>	<b>C-4g</b>	<b>13</b>
<b>Microwaves</b>	<b>C-3c</b>	<b>9</b>
<b>Minority Business</b>	<b>K-8</b>	<b>50</b>
<b>Mirrors, Pictures, Marble</b>	<b>C-3f</b>	<b>9</b>
<b>Mold/Mildew</b>	<b>C-4b</b>	<b>12</b>
	<b>C-6b(7)</b>	<b>20</b>
<b>Missing Items</b>	<b>H-5</b>	<b>34</b>
<b>Motorcycles</b>	<b>C-5B</b>	<b>17</b>
	<b>C-6a(4)</b>	<b>19</b>
	<b>C-6b(9)</b>	<b>21</b>
<b>Nonacceptance of an Order</b>	<b>H-3b</b>	<b>31</b>
<b>Nuts, Bolts and Screws</b>	<b>C-4a(2)</b>	<b>11</b>
<b>Offers</b>	<b>H-1b</b>	<b>30</b>
<b>Operating Authority</b>	<b>C-7k</b>	<b>28</b>
<b>Order of Precedence</b>	<b>I-3</b>	<b>41</b>
<b>Ordering Officers</b>	<b>H-2</b>	<b>30</b>
<b>Ordering Services (Service Orders)</b>	<b>H-3</b>	<b>31</b>
<b>Organs</b>	<b>C-6b(5)</b>	<b>20</b>
<b>Ornaments</b>	<b>C-3g</b>	<b>10</b>
<b>Overstuffed Furniture</b>	<b>C-3j</b>	<b>10</b>
<b>Packed by Owner (PBO)</b>	<b>C-4g</b>	<b>13</b>
<b>Packing</b>	<b>C-2d</b>	<b>7</b>
	<b>C-4j</b>	<b>15</b>
<b>Paintings</b>	<b>C-3f</b>	<b>9</b>
<b>Paper, Special Type</b>	<b>C-2c(5)(6)</b>	<b>7</b>
<b>Partial Removal</b>	<b>H-3e</b>	<b>32</b>
	<b>H-4e</b>	<b>33</b>
<b>Pest Control</b>	<b>C-6b(7)</b>	<b>20</b>
<b>Phonograph Records</b>	<b>C-31</b>	<b>10</b>
<b>Pianos</b>	<b>C-6b(5)</b>	<b>20</b>
<b>Pickup</b>	<b>H-5b</b>	<b>34</b>

	H-5d	35
	C-2e	8
	C-7a	24
Pictures	C-3f	9
Power Driven Equipment	C-6a(3)	19
Premove Survey	C-2a	5
Preparation of Articles	C-4a	11
	C-6a	18
Preservation for Storage	C-6b	19
Professional Books, Papers & Equipment	C-4e	13
Rates	H-1	29
Rate Schedule	B	3
Records, Phonograph	C-31	10
Refusal to Perform	H-3b	31
	H-5a	34
Release from NTS	C-7a	24
	C-7g	27
Return Documentation	C-7c	24
Rugs and Pads	C-3k	10
	C-6b(2)	19
Scales, Platform	C-4i(6)	15
Scope	C-1	4
Security	C-6e	23
Separation of Lots	C-7b	24
Service Orders	H-3	31
Pending Overseas	C-5c	17
Silverware	C-3h	10
Small Business	K-7	50
Small Disadvantaged Business	K-8	50
Smoking	C-6c(4)	21
Special Handling	H-6g	33
Special Servicing	C-4m	16
Split Lots	H-3e	32
	H-5c	34
Sprinkler Systems	C-6c(10)	22
Stacking	C-6c(7)	22
Stickers	C-4c	12
Storage Area Protection	C-6c	21
Storage Location	C-7i	27
Storage on Top of Vaults	C-6 & C-7	22
Storage Standards	C-1 thru C-7	4-28
Subcontracting	H-9	36
Table Tops	C-3f	9
Tagging	C-4c	12
	C-6d(3)	23
	Attch 5	Attch 5

<b>Tailgate</b>	<b>C-2b</b>	<b>5</b>
<b>Tarpaulins</b>	<b>C-2b</b>	<b>5</b>
<b>Transfer of Agreement</b>	<b>C-7f</b>	<b>26</b>
<b>Toys</b>	<b>C-3g</b>	<b>10</b>
<b>Unapproved Warehouse</b>	<b>H-6d</b>	<b>36</b>
<b>Unusual Occurrence</b>	<b>C-7d</b>	<b>25</b>
<b>Unpacking</b>	<b>C-4L</b>	<b>15</b>
<b>Upholstered Furniture</b>	<b>C-3j</b>	<b>10</b>
	<b>C-6b(3)</b>	<b>20</b>
	<b>C-5b</b>	<b>17</b>
<b>Using Activity</b>	<b>H-2</b>	<b>30</b>
<b>Vehicles</b>	<b>C-2b</b>	<b>5</b>
<b>Vehicles In Storage Area</b>	<b>C-6c(9)</b>	<b>22</b>
<b>Wage Determination</b>	<b>I-1</b>	<b>40</b>
<b>Wardrobes</b>	<b>C-3e</b>	<b>9</b>
<b>Warehouse</b>		
<b>Inspection</b>	<b>E</b>	<b>28</b>
<b>Receipts</b>	<b>C-7c</b>	<b>24</b>
<b>Standards</b>	<b>C-7e</b>	<b>26</b>
<b>Warehousemen's Legal Liability</b>	<b>C-7h</b>	<b>27</b>
<b>Waste/Refuse</b>	<b>C-6c(5)</b>	<b>22</b>
<b>Weighing</b>	<b>C-4i</b>	<b>14</b>
<b>Weight</b>		
<b>Allowance</b>	<b>H-4f</b>	<b>33</b>
<b>Certificate/Ticket</b>	<b>C-4i(2)(3)</b>	<b>14</b>
	<b>C-7c</b>	<b>25</b>
<b>Constructive</b>	<b>C-4i(5)</b>	<b>14</b>
<b>Discrepancies</b>	<b>C-4h(8)</b>	<b>15</b>
<b>Woman Owned Small Business</b>	<b>K-9</b>	<b>51</b>
<b>Wrapping Paper</b>	<b>C-2c(5)(6)</b>	<b>7</b>